



Forest Carbon Works
A Chestnut Carbon Company

Forest Carbon & Carbon Markets

June, 2025

Washington introduces 'cap-and-invest' program to charge companies for CO₂ emissions

The program is estimated to bring in \$1 billion a year, most of it earmarked for environment-related programs.

Compliance market in Washington & California – required for large polluters to buy credits – but sellers (forestland owners) can use either compliance or voluntary market

First auction opened at \$48/ton

Rules similar to California

Overseen by Washington DOE





Compliance or Regulatory

- Centralized oversight and regulation
- Stable and higher carbon credit pricing
- Participants required to reduce emissions
- Required by law in some instances
- More rigorous requirements for participation

Voluntary

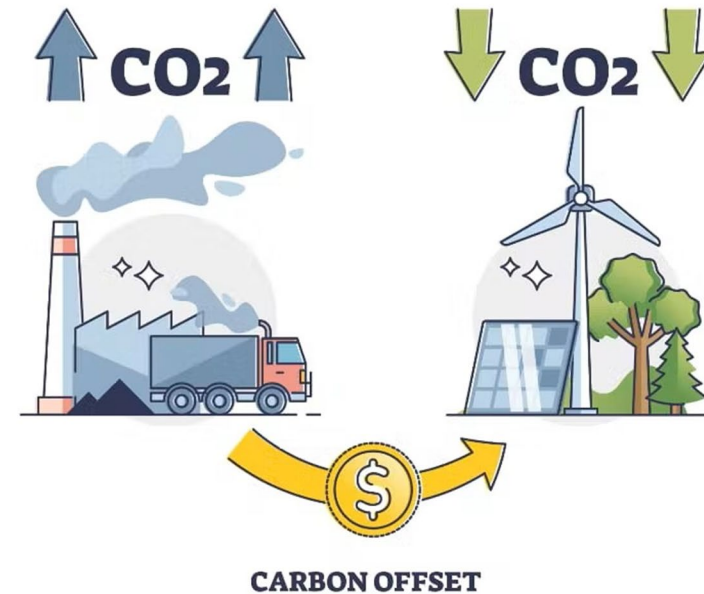


- No legally regulated mandates
- Greater fluctuations in credit pricing
- No requirements for emissions reductions
- Not required by law
- Spectrum of requirements for participation



Carbon Market Participants & Project Types

- Participants in carbon markets range from:
 - Power plants to oil and gas companies to breweries to you and me!
 - Depend on market type, compliance or voluntary
- Project types include:
 - Renewable energy
 - Clean cookstoves
 - Nature-based solutions –
Improved Forest Management
- Today, our focus is FORESTS!



Types of Forest Carbon Offset Projects



Afforestation/
Reforestation
(A/R)

Carbon offsets are generated through the carbon storage of newly planted trees, either on non-forested sites (afforestation) or to reestablish forests (reforestation).



Avoided
Conversion (AC)

Carbon offsets are generated by preventing the conversion of forested land to non-forested land.



Improved Forest
Management
(IFM)

Carbon offsets are generated through forest management activities that increase or at a minimum maintain the current level of carbon stocking.



The Carbon Offset Potential of Private Forests



Forests offset 16% of annual US emissions



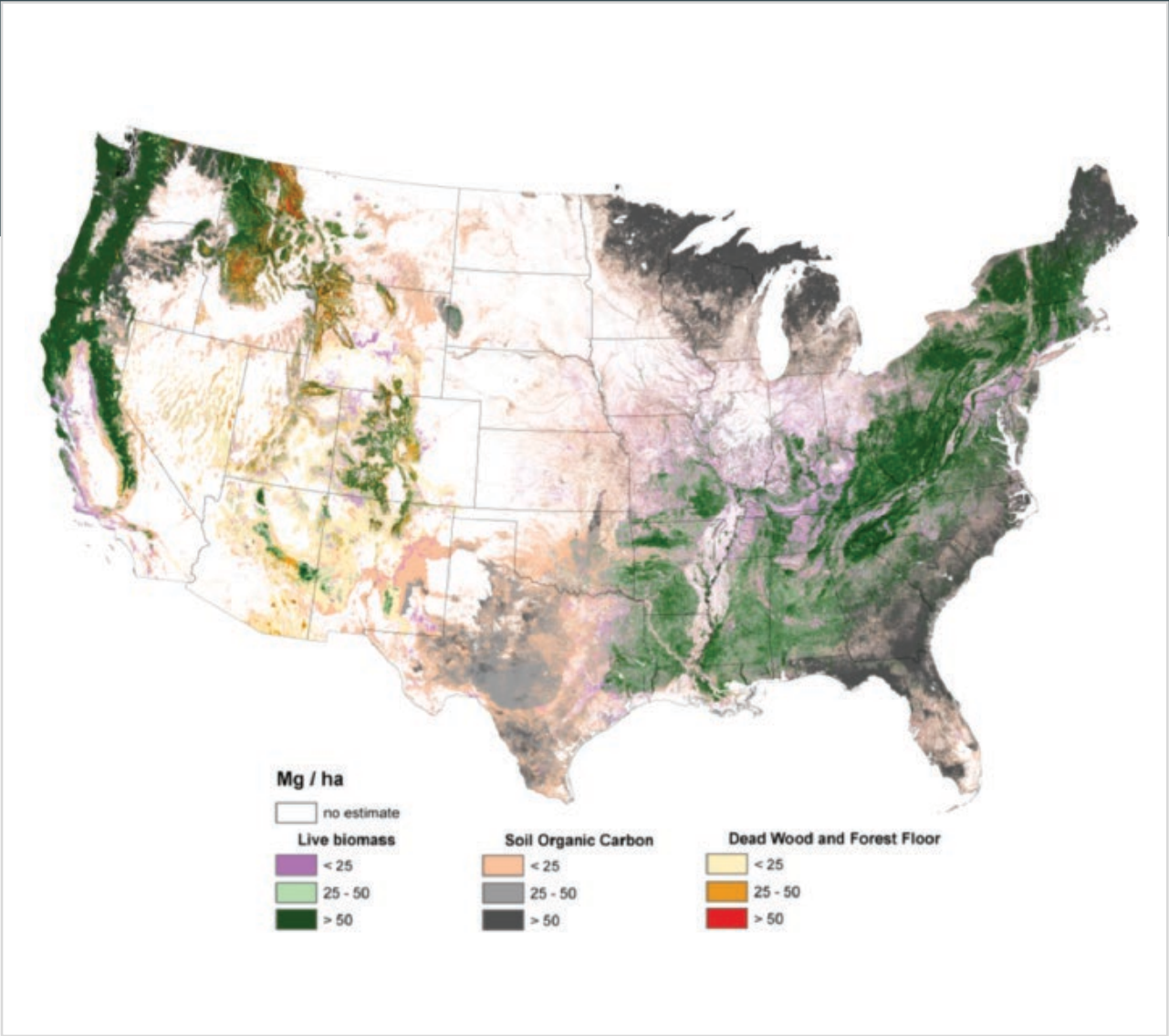
60% of forests are privately owned



Changing demographics of forest ownership
is putting pressure on forests



Carbon markets present an opportunity to
support forest conservation & GHG reductions



Source: United States Forest Service, 2018, 2019

A lush green forest with many trees and dense foliage, serving as the background for the text.

How Forest Carbon Projects Work

Carbon Projects

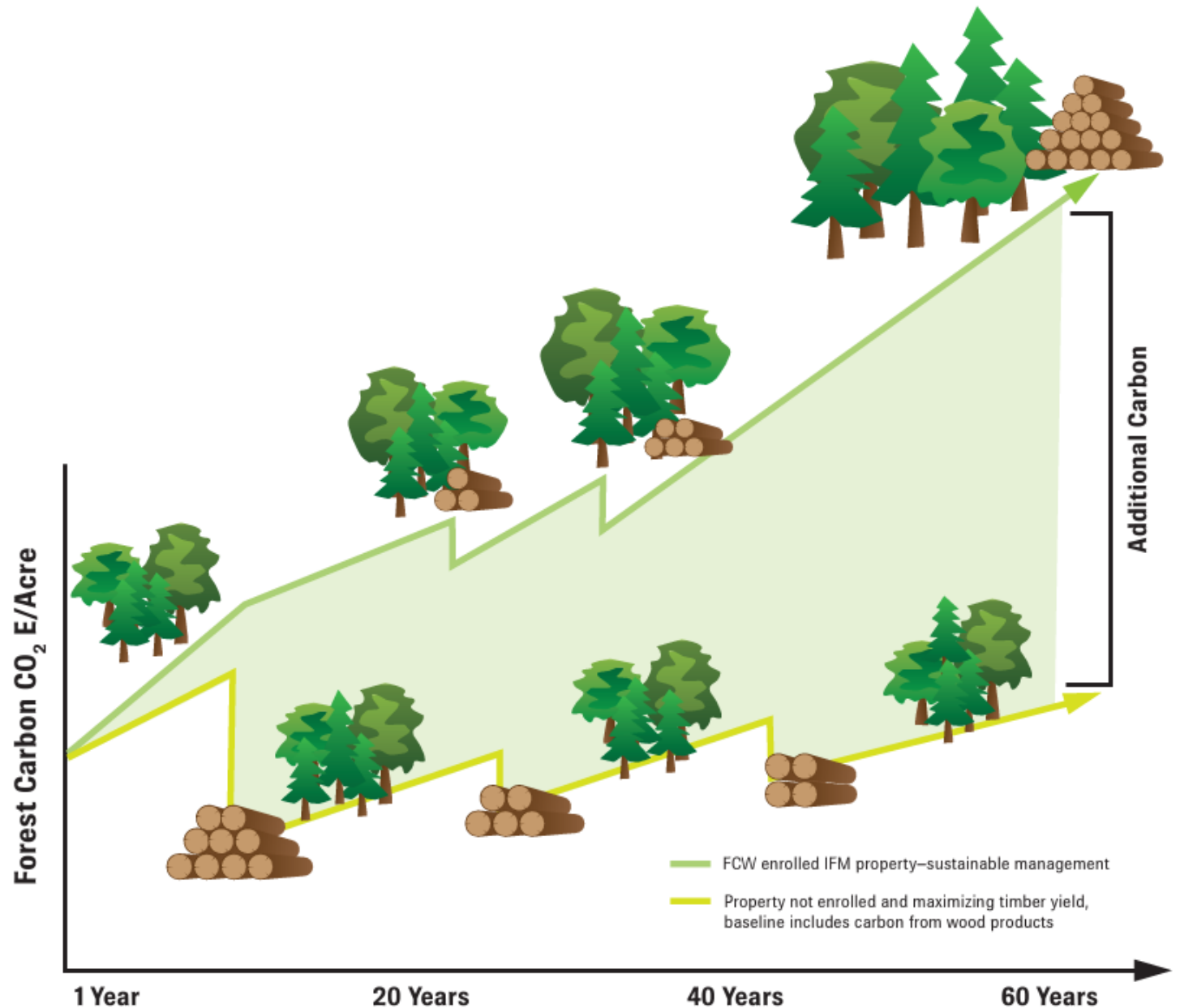
Quantified accrual of carbon in a forest area over time

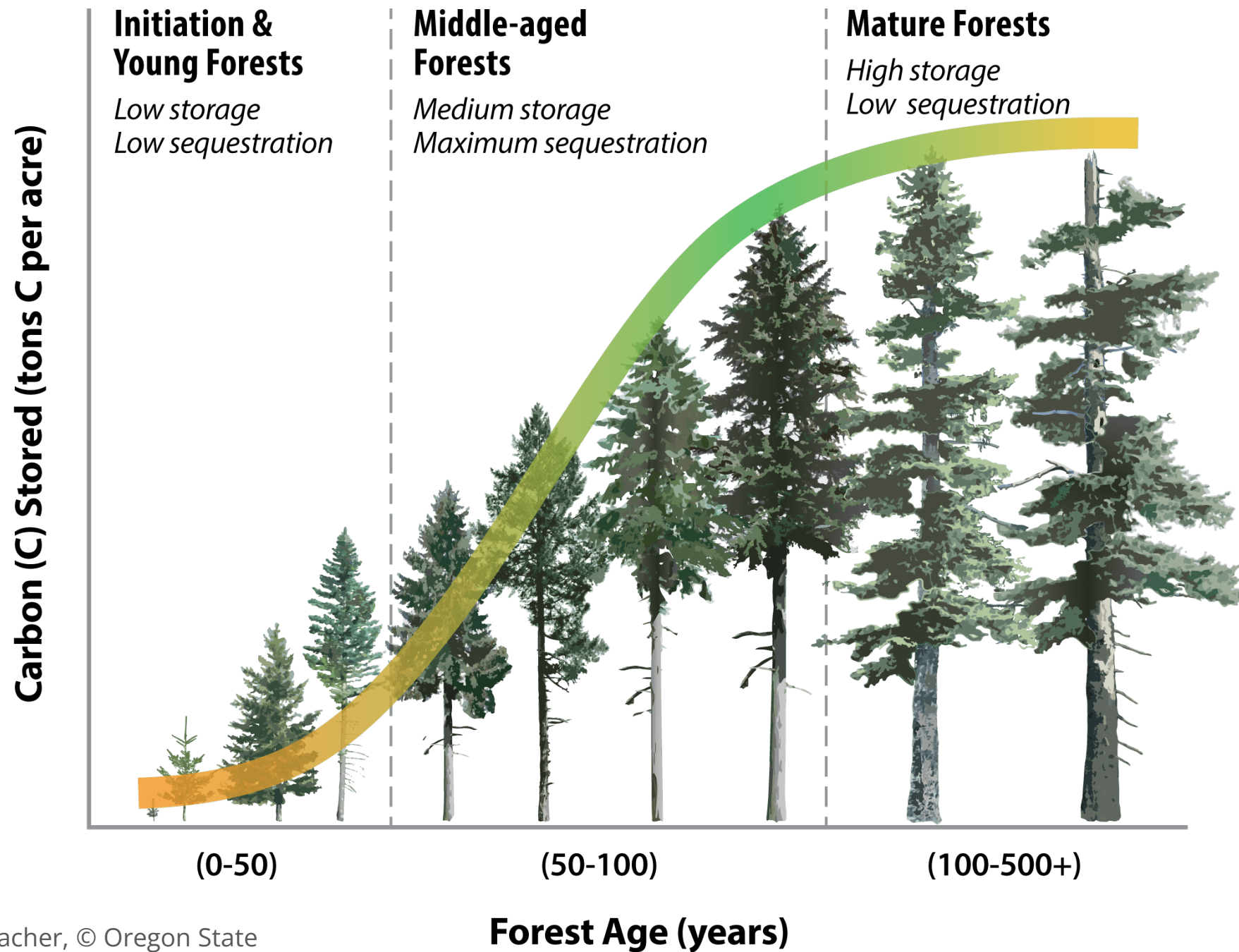
Improved Forest Management

Forests that accrue carbon over time, creating additionality compared to regional baselines



Calculating a Baseline a hypothetical scenario that models forest carbon pools on a property as if they were being managed to maximize revenue, taking into account regional common practice and any legal restrictions.





About Us

- Spun off from EP Carbon in 2016, now owned by Chestnut Carbon
- 35+ years of carbon project experience across 50 projects and 14 million acres in compliance and voluntary markets
- We are a team of professional forestry and carbon market experts
- Our proprietary carbon inventory approach streamlines operational costs



FCW Conserve

A Partner You Can Trust

Project Design



Measurement



Reporting



Verification



Credit Issuance



Credit Sales



Member Benefits

- Premium Annual Payments
- Access to Forestry and Carbon Market Expertise
- Harvest Flexibility
- Base Offer Rate of \$10 Per Acre/Year, Final Offer Pending Land Evaluation
- Revenue-Share Option, Based on Acreage



Land Eligibility Requirements

- U.S. Based Forestland
- Ownership of 100+ Acres of Forested Land
- Privately Owned
- Commercial Harvesting is Legally Allowed
- Ownership of Timber Rights
- Must Enroll All Eligible Forest Land

Eligible Forest Types



Hardwoods
(oaks, maples)



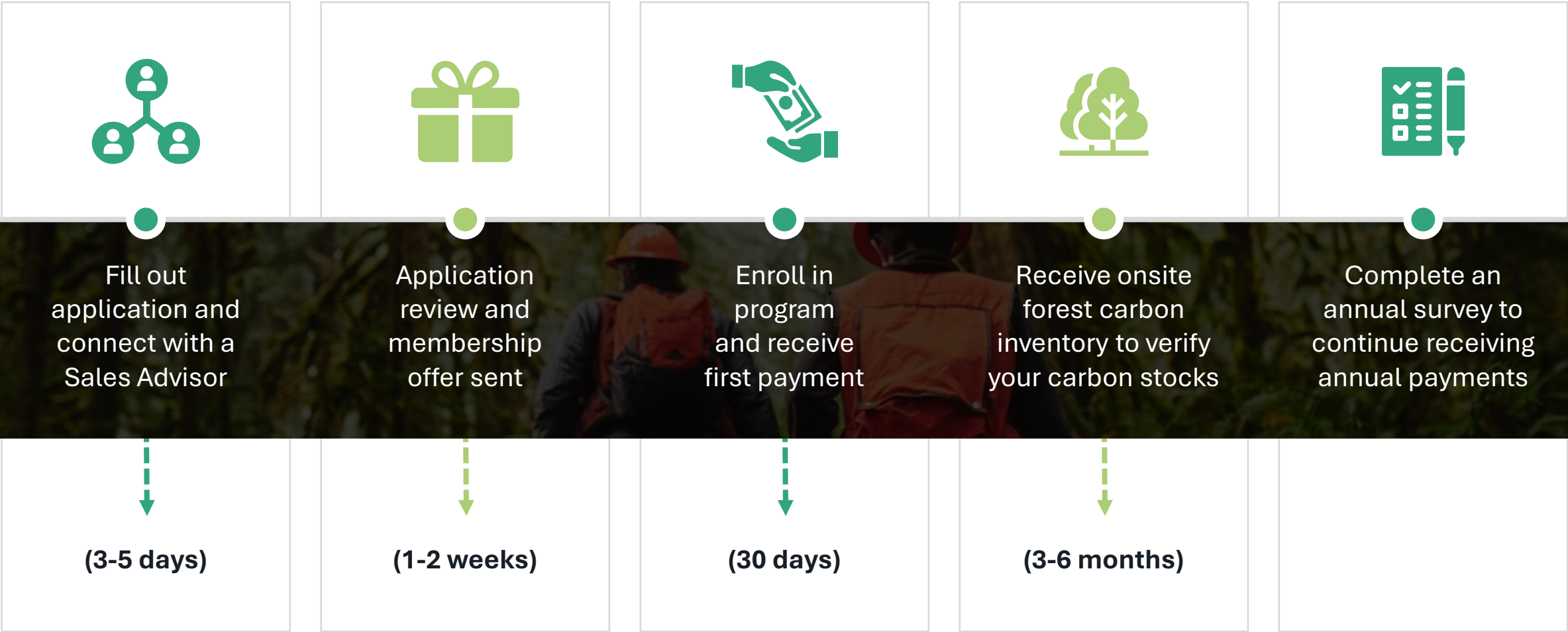
Conifers
(pines, firs)



Varying age types
(old & young)



Our Enrollment Process



Our Contract – The Payment Period (25-50 years)



Fixed payment or
revenue share
option



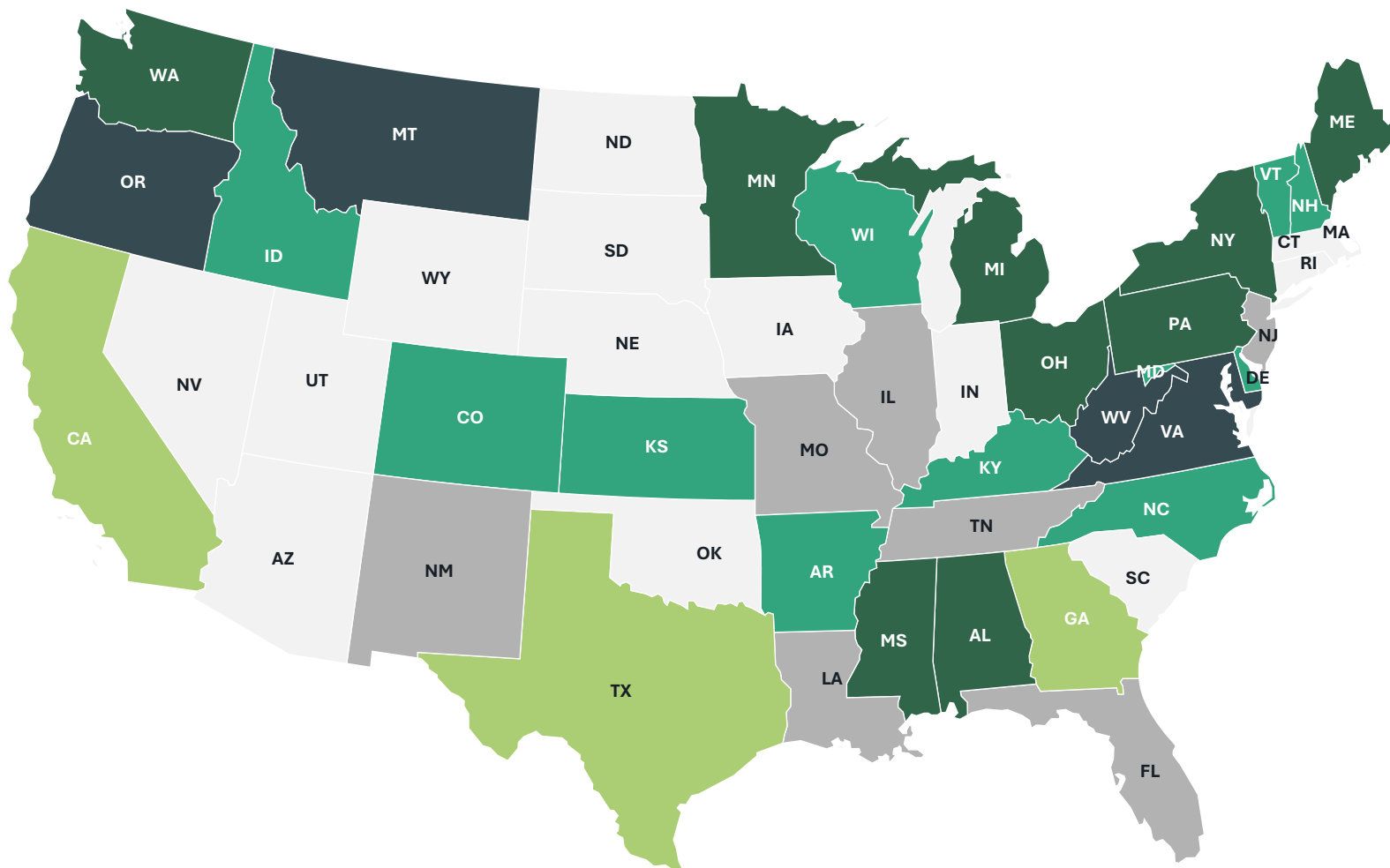
Harvest flexibility
with forest
certification



Access to licensed
regional foresters



Members surveys
completed online



FCW Membership

FCW Acres Conserved Acreage



Our Valued Members

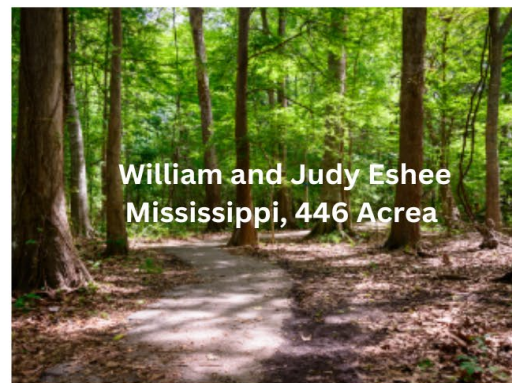
- ✓ Family Legacy Matters
- ✓ Conservation-Minded
- ✓ Financially-Focused



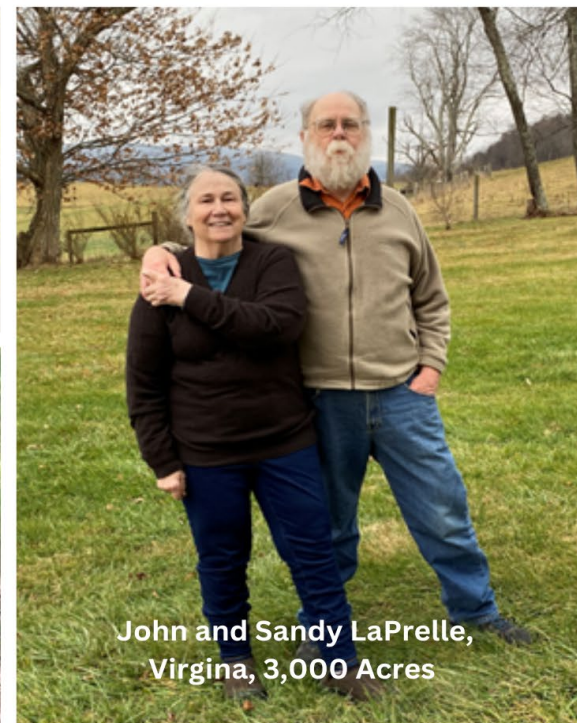
Norb and Kathy Krusiec
Wisconsin, 235 Acres



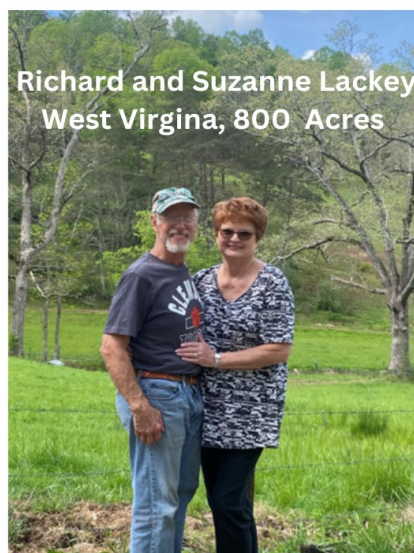
Charles Appell
New York, 190 Acres



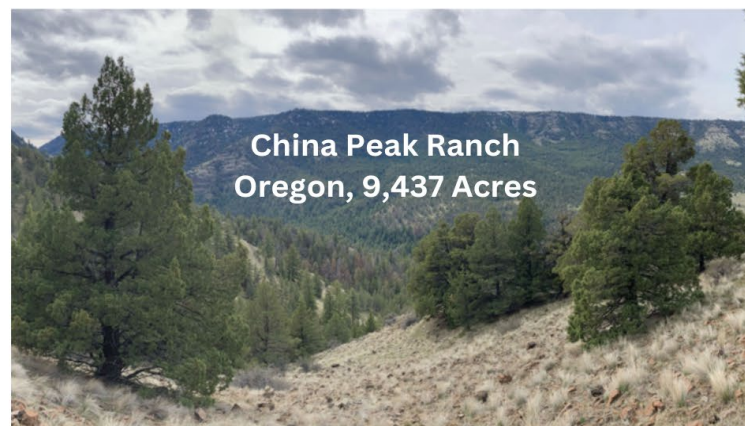
William and Judy Eshee
Mississippi, 446 Acres



John and Sandy LaPrelle,
Virginia, 3,000 Acres



Richard and Suzanne Lackey
West Virginia, 800 Acres



China Peak Ranch
Oregon, 9,437 Acres



David and Mary Bugni
Oregon, 99 Acres

Carbon and Alder...? Depends on stand type, age and GOALS

- Alder grow faster than DF – soft/hardwood - generate and store carbon quickly – high value for carbon BUT if entering the program with mature alder you are limited in your management options, limits timber production but can enhance non timber goals – stand diversity, aesthetics, habitat (down woody debris) etc.
- Carbon projects count all stems over 5" DBH – merch doesn't matter
 - All trees have different carbon coefficients to convert biomass to carbon
- Carbon projects look at total sequestration and storage in the forest from the time the contract starts
- This limits harvesting during the payment period (FCW – 25 years)
- Limited to 20% volume every 5 years per methodology requirement – no clear cutting – limited to patch cuts, single tree, group – must be FSC certified
 - Does that work for Alder management?
- Can buffer a landowner during timber price uncertainty, limited by distance to mill etc.

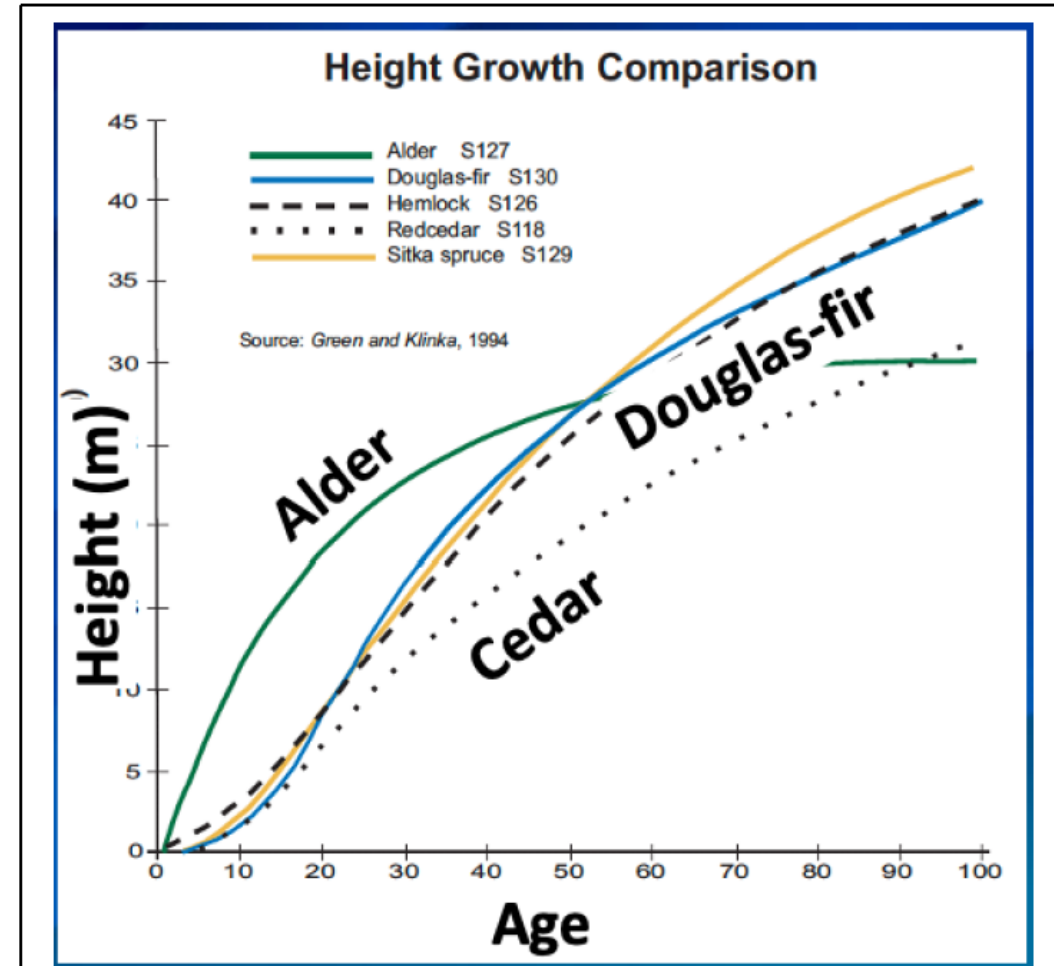
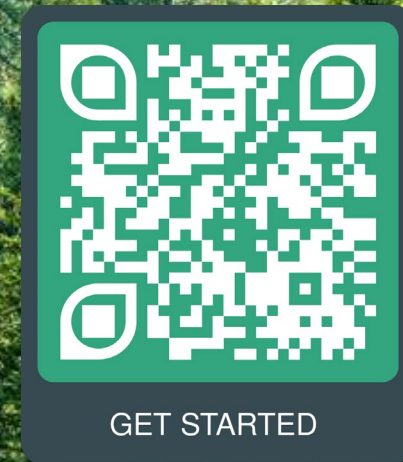


Figure 1. Relative height growth for a selected mixture of sites (Green and Klinka 1994).

Thank you!

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More from Our Members



“Managing the forest for carbon sequestration provides co-benefits of wildlife habitat protection, forest species diversity, water quality enhancement for the creek that flows through the property, and long-term sustainability and vitality of the forest as it grows into an ancient forest. We see this as a legacy for future generations of humans and other life forms that live here.”

~ **John and Julie Christensen, Oregon, 79 acres**

“We signed a 25-year carbon sequestration contract with FCW on 446 acres of our hardwood timberland. This contract guarantees an immediate annual income source from this young hardwood acreage which would not have been otherwise realized.”

~ **William and Jutty Eshee, Mississippi, 446 Acres**

“My family and I have always been committed to preserving our land's natural beauty, home to a diverse range of trees, such as oaks, pines, maples, cedars, dogwoods, and more. Our goal has been to leave a lasting legacy for our children, grandchildren, and many generations to follow.”

~ **Richard and Suzanne Lackey, West Virginia, 850 Acres**



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